

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

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**Attorneys for Vestiq Holdings, Inc.,
Vestiq Pharmaceuticals, Inc. and
Praelia Pharmaceuticals, Inc**

**MONOSOL RX, LLC, a Delaware Limited
Liability Company,**

Plaintiff,

v.

**VESTIQ HOLDINGS, INC., a Delaware
corporation, VESTIQ
PHARMACEUTICALS, INC., a Delaware
corporation, and PRAELIA
PHARMACEUTICALS, INC.**

Defendants.

Civil Action No. _____

JURY TRIAL DEMANDED

NOTICE OF REMOVAL

**VESTIQ HOLDINGS, INC., VESTIQ PHARMACEUTICALS, INC. AND
PRAELIA PHARMACEUTICALS, INC. NOTICE OF REMOVAL**

TO THE HONORABLE JUDGE OF UNITED STATES DISTRICT COURT:

Pursuant to Title 28 U.S.C. §§ 1441(b), 1332(a) and 1446, Defendants, Vestiq Holdings, Inc., Vestiq Pharmaceuticals, Inc. and Praelia Pharmaceuticals, Inc. (collectively referred to herein as "Vestiq") by its undersigned counsel, hereby give notice of removal of an action filed against it in

the Superior Court of the State of New Jersey, Somerset County, to the United States District Court for the District of New Jersey. In support of this Notice of Removal, Vestiq respectfully offers the following:

Preliminary Matters

1. On or about March 17, 2014, Plaintiff Monosol Rx, LLC (“Plaintiff”) filed this lawsuit, entitled Monosol Rx, LLC v. Vestiq Holdings, Inc., *et. al.*, Docket Number SOM-C-12017-14, in the Superior Court of the State of New Jersey, Somerset County (the “State Action”). See Summons and Complaint attached hereto as Exhibit A.

2. In the State Action, Plaintiff filed a Memorandum of Law in Support of its Application for an Order to Show Cause for Writ of Replevin along with a Proposed Order to Show Cause for Writ of Replevin on March 21, 2014. See Exhibit B.

3. In the State Action, the Court issued an Order to Show Cause for Writ of Replevin on March 24, 2014. See Exhibit C.

4. On March 25, 2014, Vestiq received an overnight courier package in Morrisville, North Carolina from Day Pitney LLP in Parsippany, New Jersey. That overnight courier package contained the Summons and Complaint. See Exhibit D, attached Declaration of Steven M. Lutz, at ¶3.

5. The Complaint is for replevin, specific performance and breach of contract. The Complaint alleges damages for breach of contract under a License and Supply Agreement between the parties, dated as of June 12, 2012, as amended (the “License and Supply Agreement”).

6. This Notice of Removal is timely pursuant to 28 U.S.C. § 1446(b) in that it is filed within thirty (30) days after Vestiq received the Summons and Complaint in the mail at its leased mail box.

7. Removal to federal court is based upon diversity of citizenship under 28 U.S.C. §§ 1441(b) and 1332(a).

Grounds for Removal

8. Plaintiff alleges that it is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business located in Warren, New Jersey. Complaint ¶1. Plaintiff also alleges that defendant Vestiq Holdings, Inc., defendant Vestiq Pharmaceuticals, Inc. and Praelia Pharmaceuticals, Inc. are all corporations organized and existing under the laws of the State of Delaware, with their principal place of business at 3000 Aerial Center Parkway, Suite 160, Morrisville, North Carolina 27560. Complaint ¶¶2-4. See also, Exhibit D, attached Declaration of Steven M. Lutz, Chief Executive Officer of Vestiq, at ¶¶1,2, stating that Vestiq Holdings, Inc., Vestiq Pharmaceuticals, Inc. and Praelia Pharmaceuticals, Inc. are all corporations organized and existing under the laws of the State of Delaware, with their principal places of business in North Carolina. Consequently, there is diversity of citizenship between defendant Vestiq and the Plaintiff, which provides the diversity requirement pursuant to 28 U.S.C. §1332(a)(1) for this Court to exercise original jurisdiction over the matter.

9. In addition, the matter in controversy is in excess of \$75,000 (exclusive of interest and costs) as required by 28 U.S.C. §1332(a)(1) to confer original jurisdiction on this Court. Specifically, plaintiff seeks “an Order compelling Vestiq to specifically perform the obligations under the License and Supply Agreement of June 12, 2012.” Complaint p. 17. Furthermore, plaintiff alleges that “Vestiq has not paid the milestone and royalty payments or the FDA fees due as required by the License and Supply Agreement.” Complaint ¶73. As set forth in the attached Declaration of Steven M. Lutz, an executive officer of Vestiq, at ¶4, on March 21, 2014, Mr. Lutz received an email from Mr. Keith J. Kendall, Co-president, Chief Operating Officer and Chief Financial Officer of plaintiff, wherein Mr. Kendall alleged, among other things, that Vestiq owed plaintiff “approximately \$2.9 million in royalties and other amounts” under the License and Supply Agreement. Accordingly, the matter in controversy exceeds the jurisdictional amount of \$75,000 required by 28 U.S.C. §1332(a)(1).

10. In addition, jurisdiction exists over the state law claims asserted by plaintiff pursuant to 28 U.S.C. §1367(a).

Wherefore, Vestiq, pursuant to the above statutes and in consideration of the facts of record, removes this action for trial from the Superior Court of the State of New Jersey, Somerset County Docket Number SOM-C-12017-14, to this Court for a proper and just determination.

Lawrence C. Hersh, Esq.

/s/ Lawrence C. Hersh

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Dated: April 10, 2014